

105TH CONGRESS  
2D SESSION

# S. 1710

To provide for the correction of retirement coverage errors under chapters 83 and 84 of title 5, United States Code.

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## IN THE SENATE OF THE UNITED STATES

MARCH 4, 1998

Mr. COCHRAN (by request) (for himself, Mr. LEVIN, Mr. LEAHY, Mr. STEVENS, Mr. ROBB, Mr. WARNER, Mr. SARBANES, and Ms. MIKULSKI) introduced the following bill; which was read twice and referred to the Committee on Governmental Affairs

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## A BILL

To provide for the correction of retirement coverage errors under chapters 83 and 84 of title 5, United States Code.

1       *Be it enacted by the Senate and House of Representa-*  
2       *tives of the United States of America in Congress assembled,*  
3       That this Act may be cited as the “Retirement Coverage  
4       Error Correction Act of 1998”.

### 5   **SEC. 2. FINDINGS AND PURPOSE.**

6       The Congress finds that a number of Government  
7       employees have been placed under erroneous retirement  
8       coverage during the transition from the Civil Service Re-  
9       tirement System to the Federal Employees Retirement

1 System. When these errors are of significant duration,  
 2 they adversely affect an employee’s ability to plan for re-  
 3 tirement. It is the purpose of this Act to provide a remedy  
 4 that treats all such individuals fairly and reasonably, and  
 5 demonstrates the Government’s concern for its employees  
 6 who have been disadvantaged by a Government error in  
 7 their retirement coverage. Affected employees should have  
 8 a choice between corrected retirement coverage and the  
 9 benefit the employee would have received under the erro-  
 10 neous coverage, without disturbing Social Security cov-  
 11 erage law.

12 **SEC. 3. DEFINITIONS.**

13 For the purposes of this Act—

14 (1) “Annuitant” means an individual described  
 15 by section 8331(9) or 8401(2) of title 5, United  
 16 States Code;

17 (2) “CSRS” means the Civil Service Retirement  
 18 System established under subchapter III of chapter  
 19 83 of title 5, United States Code;

20 (3) “CSRS covered” means subject to the pro-  
 21 visions of subchapter III of chapter 83 of title 5,  
 22 United States Code, including full CSRS employee  
 23 deductions;

24 (4) “CSRS Offset covered” means subject to  
 25 the provisions of subchapter III of chapter 83 of

1 title 5, United States Code, including reduced CSRS  
2 employee deductions;

3 (5) “Director” means the Director of Office of  
4 Personnel Management;

5 (6) “FERS” means the Federal Employees Re-  
6 tirement System established under chapter 84 of  
7 title 5, United States Code;

8 (7) “FERS covered” means subject to the pro-  
9 visions of chapter 84 of title 5, United States Code;

10 (8) “OASDI employee tax” means the Old Age,  
11 Survivors and Disability Insurance tax imposed on  
12 wages under section 3101(a) of the Internal Reve-  
13 nue Code of 1986;

14 (9) “OASDI employer tax” means the Old Age,  
15 Survivors and Disability Insurance tax imposed on  
16 wages under section 3111(a) of the Internal Reve-  
17 nue Code of 1986;

18 (10) “OASDI taxes” means the sum of the  
19 OASDI employee tax and OASDI employer tax;

20 (11) “former employee” means an individual  
21 who formerly was a Government employee, but who  
22 is not an annuitant;

23 (12) “Office” means the Office of Personnel  
24 Management;

1           (13) “Retirement coverage determination”  
 2       means the determination by an agency whether em-  
 3       ployment is CSRS covered, CSRS Offset covered,  
 4       FERS covered, or Social Security only covered;

5           (14) “Retirement coverage error” means an er-  
 6       roneous retirement coverage determination that was  
 7       in effect for a minimum period of 3 years of service  
 8       after December 31, 1986;

9           (15) “Service” means a period of civilian serv-  
 10      ice that is creditable under section 8332 or 8411 of  
 11      title 5, United States Code;

12          (16) “Social Security-only covered” means em-  
 13      ployment under section 3121(b) of the Internal Rev-  
 14      enue Code of 1986, subject to OASDI taxes, but not  
 15      CSRS covered, CSRS Offset covered, or FERS cov-  
 16      ered; and

17          (17) “Survivor” means an individual described  
 18      by section 8331(10) or 8401(28) of title 5, United  
 19      States Code.

20   **SEC. 4. ERRORS OF LESS THAN 3 YEARS EXCLUDED.**

21       Except as otherwise provided in this Act, an erro-  
 22      neous retirement coverage determination that was in effect  
 23      for a period of less than 3 years of service after December  
 24      31, 1986, is not covered by this Act.

1 **SEC. 5. SOCIAL SECURITY-ONLY COVERED EMPLOYEES**  
2 **WHO WERE ERRONEOUSLY CSRS COVERED**  
3 **OR CSRS OFFSET COVERED.**

4 (a) This section applies in the case of a retirement  
5 coverage error in which a Social Security-only covered em-  
6 ployee was erroneously CSRS covered or CSRS Offset cov-  
7 ered.

8 (b)(1) This subsection applies if the retirement cov-  
9 erage error has not been corrected prior to the effective  
10 date of the regulations described in paragraph (3).

11 (2) In the case of an individual who is erroneously  
12 CSRS covered, as soon as practicable after discovery of  
13 the error, and subject to the right of an election under  
14 paragraph (3), such a individual shall be CSRS Offset cov-  
15 ered, retroactive to the date of the retirement coverage  
16 error.

17 (3) Upon written notice of a retirement coverage  
18 error, an individual shall have 6 months to make an elec-  
19 tion, under regulations promulgated by the Office, to be  
20 CSRS Offset covered or Social Security-only covered, ret-  
21 roactive to the date of the retirement coverage error. If  
22 the individual does not make an election prior to the dead-  
23 line, the individual shall remain CSRS Offset covered.

24 (c)(1) This subsection applies if the retirement cov-  
25 erage error was corrected prior to the effective date of the  
26 regulations described in subsection (b)(3).

1       (2) Within 6 months after the date of enactment of  
 2 this Act, the Office shall promulgate regulations authoriz-  
 3 ing individuals to elect, during the 18-month period imme-  
 4 diately following the effective date of the regulations, to  
 5 be CSRS Offset covered or Social Security-only covered,  
 6 retroactive to the date of the retirement coverage error.

7       (3) If an eligible individual does not make an election  
 8 under paragraph (2) prior to the deadline, the corrective  
 9 action previously taken shall remain in effect.

10 **SEC. 6. SOCIAL SECURITY-ONLY COVERED EMPLOYEES NOT**  
 11 **ELIGIBLE TO ELECT FERS WHO WERE ERRO-**  
 12 **NEOUSLY FERS COVERED.**

13       (a) This section applies in the case of a retirement  
 14 coverage error in which a Social Security-only covered em-  
 15 ployee not eligible to elect FERS coverage under authority  
 16 of section 8402(c) of title 5, United States Code, was erro-  
 17 neously FERS covered.

18       (b)(1) This subsection applies if the retirement cov-  
 19 erage error has not been corrected prior to the effective  
 20 date of the regulations described in paragraph (2).

21       (2) Upon written notice of a retirement coverage  
 22 error, an individual shall have 6 months to make an elec-  
 23 tion, under regulations promulgated by the Office, to be  
 24 FERS covered or Social Security-only covered, retroactive  
 25 to the date of the retirement coverage error. If the individ-

1 ual does not make an election prior to the deadline, the  
 2 individual shall remain FERS covered, retroactive to the  
 3 date of the retirement coverage error.

4 (c)(1) This subsection applies if the retirement cov-  
 5 erage error was corrected prior to the effective date of the  
 6 regulations described in subsection (b)(2).

7 (2) Within 6 months after the date of enactment of  
 8 this Act, the Office shall promulgate regulations authoriz-  
 9 ing individuals to elect, during the 18-month period imme-  
 10 diately following the effective date of the regulations to  
 11 be FERS covered or Social Security-only covered, retro-  
 12 active to the date of the retirement coverage error.

13 (3) If an eligible individual does not make an election  
 14 under paragraph (2) prior to the deadline, the corrective  
 15 action previously taken shall remain in effect.

16 **SEC. 7. CSRS COVERED, CSRS OFFSET COVERED, AND FERS-**  
 17 **ELIGIBLE SOCIAL SECURITY-ONLY COVERED**  
 18 **EMPLOYEES WHO WERE ERRONEOUSLY FERS**  
 19 **COVERED WITHOUT AN ELECTION.**

20 (a) If an individual was prevented from electing  
 21 FERS because the individual was erroneously FERS cov-  
 22 ered during the period when the individual was eligible to  
 23 elect FERS under title III of the Federal Employees Re-  
 24 tirement System Act of 1986, the individual is deemed to  
 25 have elected FERS coverage and will remain covered by

1 FERS, unless the individual declines, under regulations  
2 promulgated by the Office, to be FERS covered, in which  
3 case the individual will be CSRS covered, CSRS Offset  
4 covered, or Social Security-only covered; as would apply  
5 in the absence of a FERS election, retroactive to the date  
6 of the erroneous retirement coverage determination.

7 (b) In the case of an individual to whom subsection  
8 (a) applies, who dies prior to discovery of the coverage  
9 error, or who dies during the election period prescribed  
10 in subsection (a) prior to making an election to correct  
11 the error, without having the right to decline FERS cov-  
12 erage, the individual's survivors shall have the right to  
13 make the election under regulations promulgated by the  
14 Office that provide for such election in a manner consist-  
15 ent with the election rights of the individual.

16 (c) This section shall be effective retroactive to Janu-  
17 ary 1, 1987, except that this section shall not affect indi-  
18 viduals who made or were deemed to have made elections  
19 similar to those provided in this section under regulations  
20 promulgated by the Office prior to the effective date of  
21 this Act.



1 **SEC. 8. FERS COVERED CURRENT AND FORMER EMPLOY-**  
2 **EES WHO WERE ERRONEOUSLY CSRS COV-**  
3 **ERED OR CSRS OFFSET COVERED.**

4 (a) This section applies to a FERS covered employee  
5 or former employee who was erroneously CSRS covered  
6 or CSRS Offset covered as a result of a retirement cov-  
7 erage error.

8 (b)(1) This subsection applies if the retirement cov-  
9 erage error has not been corrected prior to the effective  
10 date of the regulations described in paragraph (2). As  
11 soon as practicable after discovery of the error, and sub-  
12 ject to the right of an election under paragraph (2), if  
13 CSRS covered or CSRS Offset covered, such individual  
14 shall be treated as CSRS Offset covered, retroactive to the  
15 date of the retirement coverage error.

16 (2) Upon written notice of a retirement coverage  
17 error, an individual shall have 6 months to make an elec-  
18 tion, under regulations promulgated by the Office, to be  
19 CSRS Offset covered or FERS covered, retroactive to the  
20 date of the retirement coverage error. If the individual  
21 does not make an election by the deadline, a CSRS Offset  
22 covered individual shall remain CSRS Offset covered and  
23 a CSRS covered individual shall be treated as CSRS Off-  
24 set covered.

1       (c)(1) This subsection applies if the retirement cov-  
2 erage error was corrected prior to the effective date of the  
3 regulations described in subsection (b)(2).

4       (2)(A) Within 6 months after the date of enactment  
5 of this Act, the Office shall promulgate regulations author-  
6 izing individuals to elect, during the 18-month period im-  
7 mediately following the effective date of the regulations,  
8 to be CSRS Offset covered, retroactive to the date of the  
9 retirement coverage error.

10       (B) An individual who previously received a payment  
11 ordered by a Court or provided as a settlement of claim  
12 for losses resulting from a retirement coverage error shall  
13 not be entitled to make an election under this subsection  
14 unless that amount is waived in whole or in part under  
15 section 12, and any amount not waived is repaid.

16       (C) An individual who, subsequent to correction of  
17 the retirement coverage error, received a refund of retire-  
18 ment deductions under section 8424, or a distribution  
19 under section 8433, of title 5, United States Code, shall  
20 not be entitled to make an election under this subsection.

21       (3) If an individual is ineligible to make an election  
22 or does not make an election under paragraph (2) prior  
23 to the deadline, the corrective action previously taken shall  
24 remain in effect.

1 **SEC. 9. ANNUITANTS AND SURVIVORS IN CASES WHERE**  
2 **FERS COVERED EMPLOYEES WERE ERRO-**  
3 **NEOUSLY CSRS COVERED OR CSRS OFFSET**  
4 **COVERED.**

5 (a) This section applies to an individual who is an  
6 annuitant or a survivor of a FERS covered employee who  
7 was erroneously CSRS covered or CSRS Offset covered  
8 as a result of a retirement coverage error.

9 (b)(1) Within 6 months after the date of enactment  
10 of this Act, the Office shall promulgate regulations author-  
11 izing an individual described in subsection (a) to elect  
12 CSRS Offset coverage or FERS coverage, retroactive to  
13 the date of the retirement coverage error.

14 (2) An election under this subsection shall be made  
15 within 18 months after the effective date of the regula-  
16 tions.

17 (3) If the individual elects CSRS Offset coverage, the  
18 amount in the employee's Thrift Savings Plan account  
19 under subchapter III of chapter 84 of title 5, United  
20 States Code, at the time of retirement that represents the  
21 Government's contributions and earnings on those con-  
22 tributions (whether or not this amount was subsequently  
23 distributed from the Thrift Savings Plan) will form the  
24 basis for a reduction in the individual's annuity, under  
25 regulations promulgated by the Office. The reduced annu-  
26 ity to which the individual is entitled shall be equal to an

1 amount which, when taken together with the amount re-  
2 ferred to in the preceding sentence, would result in the  
3 present value of the total being actuarially equivalent to  
4 the present value of an unreduced CSRS Offset annuity  
5 that would have been provided the individual.

6 (4) If—

7 (A) a surviving spouse elects CSRS Offset bene-  
8 fits; and

9 (B) a FERS basic employee death benefit  
10 under section 8442(b) of title 5, United States Code,  
11 was previously paid;

12 then the survivor's CSRS Offset benefit shall be subject  
13 to a reduction, under regulations promulgated by the Of-  
14 fice. The reduced annuity to which the individual is enti-  
15 tled shall be equal to an amount which, when taken to-  
16 gether with the amount of the payment referred to sub-  
17 paragraph (B) would result in the present value of the  
18 total being actuarially equivalent to the present value of  
19 an unreduced CSRS Offset annuity that would have been  
20 provided the individual.

21 (5) An individual who previously received a payment  
22 ordered by a Court or provided as a settlement of claim  
23 for losses resulting from a retirement coverage error shall  
24 not be entitled to make an election under this subsection  
25 unless repayment of that amount is waived in whole or

1 in part under section 12, and any amount not waived is  
2 repaid.

3 (c) If the individual does not make an election under  
4 subsection (b) prior to the deadline, the retirement cov-  
5 erage shall be subject to the following rules—

6 (1) If corrective action was previously taken,  
7 that corrective action shall remain in effect; and

8 (2) If corrective action was not previously  
9 taken, the employee shall be CSRS Offset covered,  
10 retroactive to the date of the retirement coverage  
11 error.

12 **SEC. 10. PROVISIONS RELATED TO SOCIAL SECURITY COV-**  
13 **ERAGE OF MISCLASSIFIED EMPLOYEES.**

14 (a) REPORTS TO COMMISSIONER OF SOCIAL SECUR-  
15 ITY.—In order to carry out the Commissioner of Social  
16 Security’s responsibilities under title II of the Social Secu-  
17 rity Act, the Commissioner may request the head of each  
18 agency that employs or employed an individual erroneously  
19 subject to CSRS coverage as a result of a retirement cov-  
20 erage error and retroactively converted to CSRS Offset  
21 coverage, FERS coverage, or Social Security-only coverage  
22 to report in coordination with the Office of Personnel  
23 Management, and in such form and within such time  
24 frame as the Commissioner may specify, any or all of the  
25 following—

1           (1) the total wages (as defined in section  
2           3121(a) of the Internal Revenue Code of 1986) paid  
3           to such individual during each year of the entire pe-  
4           riod of the erroneous CSRS coverage;

5           (2) the excess CSRS deduction amount for the  
6           individual; and

7           (3) such additional information as the Commis-  
8           sioner may require for the purpose of carrying out  
9           the Commissioner's responsibilities under title II of  
10          the Social Security Act.

11 The head of an agency or the Office shall comply with  
12 such a request from the Commissioner. For purposes of  
13 section 201 of the Social Security Act, wages reported pur-  
14 suant to this subsection shall be deemed to be wages re-  
15 ported to the Secretary of the Treasury or the Secretary's  
16 delegates pursuant to subtitle F of the Internal Revenue  
17 Code of 1954. For purposes of this section, the "excess  
18 CSRS deduction amount" for an individual shall be an  
19 amount equal to the difference between the CSRS deduc-  
20 tions withheld and the CSRS Offset or FERS deductions,  
21 if any, due with respect to the individual during the entire  
22 period the individual was erroneously subject to CSRS  
23 coverage as a result of a retirement coverage error.

24          (b) ADJUSTMENT TO TRANSFERS UNDER SECTION  
25 201 OF THE SOCIAL SECURITY ACT.—Any amount trans-

1 ferred from the General Fund to the Federal Old-Age and  
 2 Survivors Insurance Trust Fund and the Federal Disabil-  
 3 ity Insurance Trust Fund under section 201 of the Social  
 4 Security Act on the basis of reports under this section  
 5 shall be adjusted by amounts previously transferred as a  
 6 result of corrections made (including corrections made be-  
 7 fore the date of enactment of this Act), and shall be re-  
 8 duced by any excess CSRS deduction amounts determined  
 9 by the Director of the Office of Personnel Management  
 10 to be remaining to the credit of individuals in the Civil  
 11 Service Retirement and Disability Fund or in accounts  
 12 maintained by the employing agencies. Such amounts de-  
 13 termined by the Director in the preceding sentence shall  
 14 be transferred to the Federal Old Age and Survivors In-  
 15 surance Trust Fund and the Federal Disability Insurance  
 16 Trust Fund in the proportions indicated in sections 201  
 17 (a) and (b) of the Social Security Act.

18 (c) APPLICATION OF OASDI TAX PROVISIONS OF  
 19 THE INTERNAL REVENUE CODE OF 1986 TO AFFECTED  
 20 INDIVIDUALS AND EMPLOYING AGENCIES.—An individual  
 21 described in subsection (a) and the individual's employing  
 22 agency shall be deemed to have fully satisfied in a timely  
 23 manner their responsibilities with respect to the taxes im-  
 24 posed by sections 3101(a), 3102(a), and 3111(a) of the  
 25 Internal Revenue Code of 1986 on the wages paid by the

1 employing agency to such individual during the entire pe-  
 2 riod he or she was erroneously subject to CSRS coverage  
 3 as a result of a retirement coverage error. No credit or  
 4 refund of taxes on such wages shall be allowed as result  
 5 of the operation of this subsection.

6 **SEC. 11. FUTURE CSRS COVERAGE DETERMINATIONS.**

7 No agency shall place an individual under CSRS cov-  
 8 erage unless—

9 (1) the individual has been employed with  
 10 CSRS coverage within the preceding 365 days; or

11 (2) the Office has agreed in writing that the  
 12 agency's coverage determination is correct.

13 **SEC. 12. DISCRETIONARY ACTIONS BY DIRECTOR.**

14 (a) The Director is authorized to take any of the fol-  
 15 lowing actions—

16 (1) extend the deadlines for making elections  
 17 under this Act in circumstances involving an individ-  
 18 ual's inability to make a timely election due to cause  
 19 beyond the individual's control;

20 (2) provide for the reimbursement of necessary  
 21 and reasonable expenses incurred by an individual  
 22 with respect to settlement of a claim for losses re-  
 23 sulting from a retirement coverage error, including  
 24 attorney's fees, court costs, and other actual ex-  
 25 penses;



1           (3) compensate an individual for monetary  
2       losses that are a direct and proximate result of a re-  
3       irement coverage error, excluding claimed losses re-  
4       lating to forgone contributions and earnings under  
5       the Thrift Savings Plan under subchapter III of  
6       chapter 84 of title 5, United States Code, and all  
7       other investment opportunities; and

8           (4) waive repayments otherwise required under  
9       this Act.

10       (b) In exercising the authority under this section, the  
11       Director shall, to the extent practicable, provide for simi-  
12       lar actions in situations involving similar circumstances.

13       (c) Actions taken under this section are final and con-  
14       clusive, and are not subject to administrative or judicial  
15       review on any basis.

16       (d) The Office of Personnel Management shall pre-  
17       scribe regulations regarding the process and criteria used  
18       in exercising the authority under this section.

19       (e) The Office of Personnel Management shall, within  
20       six months after the date of enactment of this Act, and  
21       annually thereafter for each year in which the authority  
22       provided in this section is used, submit a report to each  
23       House of Congress on the operation of this section.

1 **SEC. 13. THRIFT PLAN TREATMENT FOR CERTAIN INDIVID-**  
2 **UALS.**

3 (a) This section applies to an individual who—

4 (1) is eligible to make an election of coverage  
5 under section 8 or section 9, and only if FERS cov-  
6 erage is elected (or remains in effect) for the em-  
7 ployee involved; or

8 (2) is an employee (or former employee, annu-  
9 itant, or survivor, subject to conditions similar to  
10 those in section 8 and 9) in the case of a retirement  
11 coverage error in which a FERS covered employee  
12 was erroneously Social Security-only covered and is  
13 corrected to FERS coverage.

14 (b)(1) With respect to an individual to whom this sec-  
15 tion applies, the Director shall pay to the Thrift Savings  
16 Fund under subchapter III of chapter 84 of title 5, United  
17 States Code, for credit to the account of the employee in-  
18 volved, an amount equal to the earnings which are dis-  
19 allowed under section 8432a of such title 5 on the employ-  
20 ee's retroactive contributions to such Fund. Such amount  
21 shall represent earnings, on such retroactive contributions,  
22 during the period of the retirement coverage error and  
23 continuing up to the date on which the amount is paid  
24 by the Director (and based on distributions from the em-  
25 ployee's Thrift Savings Plan account). Such earnings shall  
26 be computed in accordance with the procedures for com-

1 putting lost earnings under such section 8432a. The  
2 amount paid by the Director shall be treated for all pur-  
3 poses as if that amount had actually been earned on the  
4 basis of the employee's contributions.

5 (2) In cases in which the retirement coverage error  
6 was corrected prior to the effective date of the regulations  
7 under section 8(c) or section 9(b), the employee involved  
8 (including an employee described in subsection (a)(2))  
9 shall have an additional opportunity to make retroactive  
10 contributions for the period of the retirement coverage  
11 error (subject to applicable limits), and such contributions  
12 shall be treated in accordance with the provisions of para-  
13 graph (1).

14 (c) The Office, in consultation with the Federal Re-  
15 tirement Thrift Investment Board, shall prescribe regula-  
16 tions appropriate to carry out this section.

17 **SEC. 14. AUTHORIZATION AND APPROPRIATION.**

18 All payments permitted or required by this Act to be  
19 paid from the Civil Service Retirement and Disability  
20 Fund, together with administrative expenses incurred by  
21 the Office in administering this Act, shall be deemed to  
22 have been authorized to be paid from that Fund, which  
23 is appropriated for the payment thereof.

1 **SEC. 15. SERVICE CREDIT DEPOSITS.**

2 (a) In the case of a retirement coverage error in  
3 which—

4 (1) a FERS covered employee was erroneously  
5 CSRS covered or CSRS Offset covered;

6 (2) the employee made a service credit deposit  
7 under the CSRS rules; and

8 (3) there is a subsequent retroactive change to  
9 FERS coverage;

10 the excess of the amount of the CSRS civilian or military  
11 service credit deposit over the FERS civilian or military  
12 service credit deposit, together with interest computed in  
13 accordance with paragraphs (2) and (3) of section 8334(e)  
14 of title 5, United States Code and regulations prescribed  
15 by the Office, shall be paid to the annuitant or, in the  
16 case of a deceased employee, to the individual entitled to  
17 lump-sum benefits under section 8342(c) or 8424(d) of  
18 title 5, United States Code, as applicable.

19 (b)(1) This subsection applies in the case of an erro-  
20 neous retirement coverage determination in which—

21 (A) the employee made a service credit deposit  
22 under the FERS rules; and

23 (B) there is a subsequent retroactive change to  
24 CSRS or CSRS Offset coverage.

25 (2) If at the time of commencement of an annuity  
26 there is remaining unpaid any excess of the CSRS civilian

1 or military service credit deposit over the FERS civilian  
2 or military service credit deposit, the annuity shall be re-  
3 duced based upon the amount unpaid together with inter-  
4 est computed in accordance with paragraphs (2) and (3)  
5 of section 8334(e) of title 5, United States Code and regu-  
6 lations prescribed by the Office. The reduced annuity to  
7 which the individual is entitled shall be equal to an amount  
8 that, when taken together with the amount referred to in  
9 the preceding sentence, would result in the present value  
10 of the total being actuarially equivalent to the present  
11 value of an unreduced CSRS Offset annuity that would  
12 have been provided the individual.

13 (3) If at the time of commencement of a survivor an-  
14 nuity, there is remaining unpaid any excess of the CSRS  
15 service credit deposit over the FERS service credit de-  
16 posit, and there has been no actuarial reduction in an an-  
17 nuity under the preceding paragraph, the survivor annuity  
18 shall be reduced based upon the amount unpaid together  
19 with interest computed in accordance with paragraphs (2)  
20 and (3) of section 8334(e) of title 5, United States Code  
21 and regulations prescribed by the Office. The reduced sur-  
22 vivor annuity to which the individual is entitled shall be  
23 equal to an amount that, when taken together with the  
24 amount referred to in the preceding sentence, would result  
25 in the present value of the total being actuarially equiva-

1 lent to the present value of an unreduced CSRS Offset  
2 survivor annuity that would have been provided the indi-  
3 vidual.

4 **SEC. 16. REGULATIONS.**

5 (a) In addition to the regulations specifically author-  
6 ized in this Act, the Office may prescribe such other regu-  
7 lations as are necessary for the administration of this Act.

8 (b) The regulations issued under this Act shall pro-  
9 vide for protection of the rights of a former spouse with  
10 entitlement to an apportionment of benefits or to survivor  
11 benefits based on the service of the employee.

12 **SEC. 17. EFFECTIVE DATE.**

13 Except as otherwise provided herein, this Act shall  
14 be effective on the date of enactment.

○